

- (iii) seven years from the date on which the first satellite of the EUTELSAT Space Segment is positioned in orbit in working order, if the conditions envisaged under subparagraph ii) of this paragraph have not been met.
- e) After the first determination on the basis of utilization, investment shares shall be redetermined to be effective:
 - (i) on the first day of March in each year. However, redetermination on the basis of utilization on the first day of March shall not take place if the total utilization charges payable to EUTELSAT by Signatories for their utilization during the six-month period preceding that date are lower by more than twenty per cent than the total utilization charges payable to EUTELSAT by Signatories for their utilization during the six-month period starting eighteen months before that date;
 - (ii) on the entry into force of the Operating Agreement for a new Signatory;
 - (iii) on the effective date of withdrawal of a Signatory.
- (f) Whenever an investment share is determined under subparagraphs ii) og iii) of paragraph e) or under paragraph g) of this Article, the investment shares of all other Signatories shall be adjusted in the proportion that the respective investment shares which they held before this adjustment bear to each other. On the withdrawal of a Signatory, investment shares of 0.05 per cent determined in accordance with paragraph g) of this Article shall not be increased.
- (g) Notwithstanding any provision of this Article, no Signatory shall have an investment share of less than 0.05 per cent of the total investment shares.
- (h) Upon application from a Signatory, the Board of Signatories shall allocate to it an investment share reduced from its share determined under paragraphs a) to f) of this Article to the extent that the reduction is taken up by the voluntary acceptance by other Signatories of increased investment shares. The Board of Signatories shall adopt procedures enab-

ling the application of the provisions of this paragraph and for the equitable distribution of the amount corresponding to the reduction in investment shares among Signatories ready to increase their investment shares.

- (i) Notification of the results of each determination of investment shares, and of the effective date of such determination, shall be promptly furnished to all Signatories by the Director General.

Article 7

Financial Adjustments between Signatories

- (a) On entry into force of the Operating Agreement, financial adjustments shall be made between Signatories, through EUTELSAT, in accordance with Annex A to the Operating Agreement.
- (b) At each determination of investment shares after the first determination, financial adjustments between Signatories shall be made through EUTELSAT on the basis of a valuation made under paragraph c) of this Article. The amounts of this financial adjustments shall be determined for each Signatory by applying to the valuation the difference, if any, between the new investment share of each Signatory and its investment share before the determination.
- (c) The valuation mentioned in paragraph b) of this Article shall be made as follows:
 - (i) deduct from the original cost of all assets as recorded in EUTELSAT accounts at the date of adjustment, including all capitalized return and capitalized expenses, the sum of:
 - (A) the accumulated amortization as recorded in EUTELSAT accounts at the date of adjustment, and
 - (B) loans and other accounts payable by EUTELSAT at the date of adjustment;
 - (ii) adjust the result thereby obtained by adding or deducting a further amount representing any deficiency or excess, respectively in the payment by EUTELSAT of compensation for use of capital from the entry into force of the Operating Agreement to the effective date of